

## § 19.64

or experimental operations for the purpose of facilitating the development and testing of improved methods of governmental supervision (necessary for the protection of the revenue) over plants. For this purpose, the appropriate TTB officer may, with the approval of the proprietor thereof, designate any plant for such operations. The provision of law and regulations waived and the period of time during which such waiver shall continue shall be stated in writing by the appropriate TTB officer. The provisions of this section shall not be construed as authority to waive the filing of any bond or the payment of any tax, including special (occupational) tax, provided for in 26 U.S.C. Chapter 51.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1395, as amended (26 U.S.C. 5554))

[T.D. ATF-198, 50 FR 8464, Mar. 1, 1985, as amended by T.D. ATF-271 53 FR 17543, May 17, 1988]

## § 19.64 [Reserved]

### § 19.65 Experimental distilled spirits plants.

The appropriate TTB officer may authorize the establishment and operation of experimental plants for specific and limited periods of time solely for experimentation in, or development of—

- (a) Sources of materials from which spirits may be produced;
- (b) Processes by which spirits may be produced or refined; or
- (c) Industrial uses of spirits.

The appropriate TTB officer may waive any provision of 26 U.S.C. Chapter 51 (other than 26 U.S.C. 5312) and of this part (other than this section and § 19.66) to the extent he deems necessary to effectuate the purposes of 26 U.S.C. 5312(b), except that he may not waive the payment of any tax on spirits removed from such plant. A proprietor of an experimental distilled spirits plant established under this section is subject to special (occupational) tax under subpart Ca of this part and shall hold a

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separate special tax stamp to cover the experimental operations.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1375, as amended (26 U.S.C. 5312))

[T.D. ATF-198, 50 FR 8464, Mar. 1, 1985, as amended by T.D. ATF-271 53 FR 17543, May 17, 1988]

### § 19.66 Application to establish experimental plants.

Any person desiring to establish an experimental plant shall make written application to the appropriate TTB officer and obtain approval of the proposed establishment. The applicant shall file with such application a bond in such form and penal sum as required by the appropriate TTB officer. The application shall state the nature, extent, and purpose of the operations to be conducted and describe the operations and equipment, the location of the plant (including the proximity to other premises or operations subject to the provisions of 26 U.S.C. Chapter 51) and the security measures to be provided. The appropriate TTB officer may require the submission of additional information as he deems necessary. The appropriate TTB officer shall not permit operations until he has found that the plant conforms to the specifications set forth in the application, as approved, and the applicant has complied with provisions of 26 U.S.C. Chapter 51, and this part not specifically waived by the appropriate TTB officer.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1375, as amended (26 U.S.C. 5312))

### § 19.67 Spirits produced in industrial processes.

(a) *Applicability.* (1) Persons who produce spirits in industrial processes (including spirits produced as a by-product in connection with chemical or other processes) are distillers and are required to qualify and pay special (occupational) tax under provisions of 26 U.S.C. Chapter 51 and this part.

(2) The appropriate TTB officer may, however, waive any provision of 26 U.S.C. Chapter 51, or of this part, with respect to the production of nonpotable chemical mixtures containing spirits, including any provision relating to qualification (except the payment of special (occupational) tax), if such mixtures are produced: